

# FAIR POLITICAL PRACTICES COMMISSION

## MEMORANDUM

**TO:** Chairman Randolph, Commissioners Downey, Knox, and Karlan

**FROM:** Alan Herndon, Chief Investigator  
Jon Wroten, Investigator III  
Mary Ann Kvasager, Political Reform Consultant

**DATE:** April 30, 2003

**SUBJECT:** MAJOR DONOR PROGRAM - INFORMATION

At the December 8, 2000 Commission meeting, a presentation was made regarding the Enforcement Division's proposed plan to address Major Donor reporting. The goal of the Major Donor Program is to encourage voluntary compliance with the campaign statement filing requirements for Major Donor Committees. The plan addressed both proactive public outreach and education for Major Donors, with respect to their filing requirements, and swift enforcement of violations by committees that fail to fulfill their reporting responsibilities as mandated by the Political Reform Act.

Upon completion of the presentation, the Commission adopted the proposed recommendations to implement an expedited major donor enforcement program utilizing a "streamlined" stipulation, decision and order format along with a "standardized" fine schedule.

In most cases, these Major Donor Committees received a notice from a recipient committee alerting them to their filing obligation. An additional courtesy notice was mailed by the FPPC Technical Assistance Division alerting them to the filing obligation and informing the Respondent of services and assistance available to them.

The fines for these enforcement cases are based on the timeliness of the response by the Major Donor Committees to contact from the FPPC Enforcement Division based on the following graduated "standardized" fine schedule, which was approved by the Commission at its December 2000 meeting. The amount of the penalties were amended by the Commission at their August 2001 meeting. Every committee had the option of not participating in the "streamlined" program and requesting to be prosecuted through the formal administrative hearing process.

STANDARDIZED MAJOR DONOR FINE SCHEDULE (Commission Adopted 12-8-00/ Amended 8-3-01)	
ENFORCEMENT STAGE OF CONTACT	FINE AMOUNT
<b><u>Tier 1</u></b> Committees that file late, but voluntarily upon the Enforcement Division's initial written contact. *	\$400.00
<b><u>Tier 2</u></b> Committees that file late, but voluntarily upon the Enforcement Division's second written contact. **	\$800.00
<b><u>Tier 3</u></b> Committees that do not voluntarily file in response to the FPPC's first or second written contact, but require additional actions by enforcement to obtain compliance with their filing obligations.	15% of dollars contributed up to the statutory maximum per violation.  25% of dollars contributed up to the statutory maximum per violation if there is a record of prior enforcement action for the same violation (Gov. Code §84200).
<b><u>Large or active contributor - Enhancement</u></b> Committees that either contribute \$50,000 or more, or make ten (10) or more contributions during a semi-annual reporting period will pay the appropriate base fine <u>plus</u> the enhancement fine.	1.0 %  of the total dollars contributed.

Exhibit A